SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

December 15, 2006

10:00 a.m. 227 West Jefferson Boulevard Presiding: Marcia I. Jones, President South Bend, Indiana

1. ROLL CALL

Members Present: Mr. Karl King, Vice President

Mr. Greg Downes, Secretary

Mr. Hardie Blake, Jr. Mr. William Hojnacki

Members Absent: Ms. Marcia Jones, President

Legal Counsel: Ms. Cheryl Greene, Esq.

Mr. Shawn Peterson, Esq.

Redevelopment Staff: Mr. Don Inks, Director

Mrs. Cheryl Phipps, Recording Secretary

Mr. Bill Schalliol, Economic Development Specialist Mr. Nicolas Witwer, Economic Development Specialist Mr. Andrew Laurent, Economic Development Specialist Ms. Jennifer Laurent, Economic Development Specialist

Mr. Robert Mathia, Economic Development Specialist

Others Present: Mayor Stephen J. Luecke

Ms. Catherine Fanello, Controller Ms. Mikki Dobski, Mayor's Office Ms. Pam Paluszewski, Legal Dept. Ms. Jamie Loo, South Bend Tribune

Ms. Rita Kopala

Ms. Glenda Rae Hernandez

Mr. Brad Toothaker Mr. Michael Wargo

Mr. Willilam Lamie, ADG

Mr. George Adler, Community Development

Ms. Sharon Terrell

Ms. Shannon Miller, Downtown South Bend

Ms. Jill Bodensteiner Mr. Donald Pope Davis

WSJV-Fox 28

WSBT

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of Friday, December 15, 2006.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Minutes of the Regular Meeting of Friday, December 15, 2006.

COMMISSION APPROVED THE MINUTES OF THE REGULAR MEETING OF FRIDAY, DECEMBER 15, 2006

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted December 15, 2006 for approval.

305 SBCDA 2003 BOND		
Walker Parking Consultants	1,215.08	
Rieth Riley Construction, Co., Inc.	83,638.22	
324 AIRPORT AEDA		
Abonmarche Consultants of Indiana LLC.	4,164.79	
City of South Bend	984.02	
Wightman Petrie	460.00	
CFH Landscape Services	1,010.00	
414 SAMPLE EWING GENERAL		
Wells Fargo	400.00	
CFH Landscape Services	2,545.00	
Wightman Petrie, Inc.	3,857.15	
420 FUND TIF DISTRICT-SBCDA GENERAL		
CB Richard Ellis	858.04	
City of South Bend	4,222.77	
O. J. Shoemaker Services, Inc.	2,750.00	
CFH Landscape Services	550.00	
Indiana Michigan Power	404.29	
AT & T	69.04	
Schindler	398.90	
Crowe Chizek	128,437.21	Remaining installment
		pmt for AED property
Rose Pest Solutions	87.00	
NIPSCO	296.33	
AEP	392.33	
Meridian Title Corporation	150.00	

3. APPROVAL OF CLAIMS (CONT.)

420 FUND TIF DISTRICT-SBCDA GENERAL continued...

South Bend Water Works Windmill Acres	271.81 1,050.00	
422 FUND WEST WASHINGTON First Impression Landscaping South Bend Heritage Foundation	210.00 6,572.67	
424 FUND TIF SBCDA BUILDING OPERATIONS South Bend Water Works CB Richard Ellis Ampco Parking	145.47 150.00 400.00	
428 FUND AIRPORT 2003 BOND Walsh & Kelly DLZ	308,651.94 2,715.00	Dylan Dr. Extension
619 FUND BLACKTHORN Meadowbrook Golf Group Inc.	20,000.00	
	\$ 577,057.06	,

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Claims submitted December 15, 2006, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS SUBMITTED DECEMBER 15, 2006, AND ORDERED THE CHECKS TO BE RELEASED

4. COMMUNICATIONS

There were no Communications.

THERE WERE NO COMMUNICATIONS

5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

6. NEW BUSINESS

Mr. Inks requested that Items 6. D. (1), (2) and (3) be moved to the top of New Business. There was no objection and the items were so moved.

D. South Bend Central Development Area

(1) Staff report on disposition of property in the South Bend Central Development Area. (former Señor Kelly Lot)

Mr. Inks noted that this agenda item pertains to the 101 N. Michigan property and the adjacent parking lot between 101 N. Michigan and the former Señor Kelly's restaurant.

Ms. Laurent noted that on June 20, 2006 the Redevelopment Commission approved a Letter of Intent from Mike Wargo and Brad Toothaker, the principals of Michigan Street LLC, which outlined a proposed development partnership for the 101 N. Michigan St. building, the former American Bank & Trust Co., and an expansion upon property currently owned by the Commission to the north.

One of South Bend's historic treasures, 101 N. Michigan is listed as the All American Bank Building on the National Register of Historic Places. Colonel Lathrop Taylor located an Indian fur trading post there in 1381 and operated the town's first post office there. The existing building was constructed in the 1920s and has been recognized as a superior example of period architecture.

As the Redevelopment Commission is aware, the upper floors of the building have long been uninhabitable due to non compliance with current building codes and ADA which require an elevator and stairwell, as well as additional interior investment. The building has been underutilized for many years as a

D. South Bend Central Development Area

(1) continued...

result; but, more importantly, the building has fallen into disrepair. Michigan Street LLC purchased this building from the Alan Schrager estate in early 2006 with the intention of fully restoring it as a cornerstone piece of a larger, mixed use residential condominium development. In their presentation in June Mr. Wargo and Mr. Toothaker outlined their plan in its early stages to the Commission and requested the city's partnership in certain public aspects of the project. The Commission had many years previously determined the structure's importance to the fabric of downtownthat it could be saved only with private investment and with true foresight that its economic viability rests on the potential to use the parcel to the north, fronting Michigan Street, to allow the construction of needed access to the upper floors. The Señor Kelly property was purchased by the Commission with this development of the All American Bank Building in mind, and, has previously, publicly offered the bid with bid specifications referencing this development goal as a requirement for the disposition of the property. For the record, the bid specifications were issued at a Regular Meeting of the Commission on October 1, 1999 and a fair reuse value was set at \$183,000. Updated appraisals were obtained in June 2006 for the same property, finding that the valuation of the property had increased to \$199,000.

D. South Bend Central Development Area

(1) continued...

The principals and design team of Michigan Street LLC are present today to make a formal bid for the property and to give an illustrated presentation of their project as it has evolved from a development concept to reality. Staff has worked with them as the project has been refined and imaginative solutions to design problems have come about. Historic preservation can be expensive and complicated. But, as these gentlemen believe, it is both rewarding and marketable. They worked closely with Todd Zeiger, Historic Landmarks Foundation, to ensure a sensitive end design.

As they will explain, their unit economics work because of two critical components of assistance they seek from the Commission. (1) the potential of a second development phase of new condominium and surface parking construction made possible only by the acquisition of the vacant lot to which the Commission holds ownership; and (2) the leadership of the city in directing and funding the exterior façade renovations necessary to achieve the Secretary of the Interior standards for rehabilitation. This will allow for a successful application for federal historic tax credits. To do this the city would be granted a permanent façade easement.

The Commission has expressed a willingness to consider participating in this development as a partner, upon submission of a final development plan and with appropriate private development demonstrated. The

D. South Bend Central Development Area

(1) continued...

Commission thus approved on the same date in June a proposal from Architecture Design Group to provide architectural services to the City of South Bend for exterior façade renovation. The first deliverable under the scope of services ADG was to provide was a well-researched budget for the façade work, with the requirement that final approval be issued if the total were to exceed \$600,000. Bill Lamie, ADG, is here this morning to present for Commission approval the proposed façade construction budget and explain in more detail any of its aspects.

Staff requests that you consider Mr. Lamie's presentation in light of the overall project concept before you authorize him to go forward with design document preparation. It would be understood that the actual façade construction work would not be bid until a signed development agreement were in place. If the Commission ultimately finds that the terms presented by the developers agreeable and directs a development agreement to be drafted, specific references will be made to ADG's scope of work. This project is exciting for all of us involved to see. It is Ms. Laurent's professional opinion that this is exactly the type of project that the redevelopment statutes fit and an appropriate place for us to partner with the private sector. The team will make a presentation of its final concept and will answer any questions. Following that, staff will make a recommendation.

D. South Bend Central Development Area

(1) continued...

Mr. King asked if the Commission would appoint the Department of Public Works to manage the facade construction. Ms. Laurent responded that after the development agreement is signed, she will bring the Commission an Interagency Agreement to that affect.

Mike Wargo expressed how excited the development team is about this project. They've spent two and one half years trying to figure out how to rehabilitate and restore the building, working closely with Bill Lamie who has done a fabulous job of helping them think the project through. He gave an overview of the project.

Phase 1 is to reuse the former Fannie May store front. Phase IA of the project is the build-out of what they are calling the All American Newsstand. Phase 1B would be the facade rehabilitation. Phase 1C would be the new addition that the developer would build for elevators, plus any interior renovation of the bank building. Phase 1A is substantially complete. They've made an investment in rehabilitating the space in a way that you get a sense of stepping back in time. The wall you face as you walk in will have a photo mural as though you are looking back into the old bank building. They have removed the drop ceiling and restored the plaster ceiling and a public meeting room upstairs. They will be putting in a spiral staircase for access to that room. The newsstand will open in January 2007.

D. South Bend Central Development Area

(1) continued...

Mr. Wargo showed a drawing of the outside of the building as it looked when it was a bank. Phase 1B will restore that look, including reinstalling arched windows. Phase 1C will be to restore the interior five floors, including office and residential condominiums on the upper floors and also to construct a 15,000 sft addition to house elevator and stair access to the upper floors. They would plan to begin construction of the addition concurrently with the beginning of the historic façade renovation.

Bill Lamie made a presentation about Phase 2 and the timetable for it. Phase 2 would construct a building of one and one-half stories or more, about 5,000 sft of retail along Michigan St. Behind the store front would be appox 10,000 sft of residential condos or office condos with a substantial roof deck opportunity. Also nestled behind the retail would be approximately 30 spaces of surface parking. The building would have a 20,000 sft footprint and total floor space of 50,000 sft.

Mr. Hojnacki asked about the prospect of getting the large old clock returned from 1st Source Bank to its former location on the corner. Mr. Wargo responded that he would love to have it and has asked, but there has been no response yet.

Mr. Downes asked if the team had an estimate on what the breakdown would be between office and residential

D. South Bend Central Development Area

(1) continued...

condominiums. Mr. Wargo responded that a couple of businesses have expressed interest in having an entire floor of the historic building. Others have expressed interest in the penthouse fifth floor. In the new building, they have considered one floor of office with two floors of residential above. But they are very flexible at this point. No commitments have been made.

Mr. Toothaker said that he'd expect the existing building to be leased mostly as office. The new building will probably be mostly residential. They hope to hit a market rate for young professionals who want to live downtown in a quality condo.

Mr. Downes asked if the thirty parking spaces would meet the need of the office and residential units. Mr. Toothaker described it as minimally adequate. He pointed out the proximity of the project to the newly renovated parking garage at Main and Colfax. There should be adequate parking near the project.

Mr. King asked about the project's sensitivity to the entrance of the new NoMa restaurant, wondering if the parking garage would make that alley/walkway seem too utilitarian. Mr. Lamie responded that they realize the importance of the treatment on that north side of the project. They expect to do as much landscape buffering as they can and perhaps keep one corner of the first floor more open as a walkway to Woodward Ct.

D. South Bend Central Development Area

(1) continued...

Mr. King thanked the development team for its efforts toward this exciting project. It is a much anticipated development by many in the community. It's hard to imagine a more exciting project with as much impact as it will have on so many in the community, being what everyone thinks of as the center of town, and an historic structure restored to its original look.

Ms. Laurent noted that the value has been established for the Señor Kelly parking lot to the north of the bank building. What the developers are offering in consideration of the lot is an easement on the façade of the 101 N. Michigan building. That exchange would allow the Commission to act with public dollars toward the restoration of that beautiful building.

Ms. Greene noted that the first action the Commission needs to take has to do with disposition of property as set forth in I.C. 36-7-14-22. The Commission has met the initial requirement by putting it through the public offering process. At that time there were no bids received. Now the Commission may negotiate for disposition of the property. Under subsection (e) of I.C. 36-7-14-22 the Commission may accept an offer that is consideration of cash, cash and other property, or a combination of both. If the Commission is receiving something other than cash as consideration for the property, it must make a finding that in its sole discretion, the value the Commission will

6. NEW BUSINESS (CONT.)

D. South Bend Central Development Area

(1) continued...

receive is a fair market value equivalent. What has been offered by the developer is a minimal sum of money for the Se or Kelly lot, but the dominant portion for the consideration is the façade easement. A façade easement in an historic structure is a fairly commonly accepted practice in the real estate market. A façade easement is a real interest in property. As such, it may be deemed to be consideration that is sufficient for the transaction if the Commission determines that it is by entering the appropriate findings.

Mr. King noted that the staff has recommended the Commission accept the façade easement in lieu of cash.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission found that the façade easement is adequate consideration to support disposition of the property known as the former Searor Kelly lot to the Developer, as proposed.

(2) Commission approval requested for construction budget for façade renovation for 101 N. Michigan St.

Ms. Laurent noted that in June Mr. Lamie presented an estimate of \$600,000 as the construction budget. The Commission requested that he come before the Commission for further approval if the budget was expected to exceed \$600,000.

COMMISSION FOUND THAT THE VALUE OF THE FAÇADE EASEMENT IS ADEQUATE CONSIDERATION TO SUPPORT DISPOSITION OF THE PROPERTY KNOWN AS THE FORMER SE-OR KELLY LOT TO THE DEVELOPER, AS PROPOSED.

6. NEW BUSINESS (CONT.)

D. South Bend Central Development Area

(2) continued...

Mr. Lamie noted that the developers and staff spent a good amount of time researching the various rehabilitation options and their associated costs. Masonry restoration and window replacement or restoration were considered. The development team thinks window replacement would be the best approach.

Ms. Laurent noted that Mr. Lamie understands the need for wise use of public funds for this project and will work with the Board of Public Works to develop good specifications so the project can be well bid. Staff recommends accepting the budget pf \$600,000 as proposed.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the construction budget for façade renovation for 101 N. Michigan St.

(3) Commission approval requested for Contract with Architecture Design Group, Inc. for exterior façade renovation in the South Bend Central Development Area. (101 N. Michigan St.)

Upon a motion by Mr. Downes, seconded by Mr. Hojacki and unanimously carried, the Commission approved the Contract with Architecture Design Group, Inc. for exterior façade renovation in the South Bend Central Development Area. (101 N. Michigan St.)

Commission approved the construction budget for façade renovation for $101\ N$. Michigan St.

COMMISSION APPROVED THE CONTRACT WITH ARCHITECTURE DESIGN GROUP, INC. FOR EXTERIOR FAÇADE RENOVATION IN THE SOUTH BEND CENTRAL DEVELOPMENT AREA. (101 N. MICHIGAN ST.)

A. Public Hearing

(1) Public Hearing on Resolution No. 2279
expanding the boundaries of the Airport
Economic Development Area, expanding
the allocation area for purposes of tax
increment financing and amending the
Airport Economic Development Area
Development Plan.

Mr. Inks noted that the public hearing file is complete and contains: (1) a copy of the Notice of Hearing; (2) a copy of Resolution No. 2279; (3) an affidavit from the South Bend Tribune stating that the Notice of Hearing was published in that newspaper on December 8, 2006; an affidavit from the South Bend Tribune stating that the Notice of Hearing was published in that newspaper on December 1, 2006; (4) an affidavit from the Tri-County News stating that the Notice of Hearing was published in that newspaper on December 1, 2006; (5) as of 10:00 a.m. there were ___0__ written remonstrances concerning Resolution No. 2279.

Mr. Witwer noted that Resolution No. 2279 expands the boundaries of the Airport Economic Development Area and TIF Allocation Area No. 1 to add a portion of one property to the development area and to the acquisition list of the development plan. The property is needed for right-of-way for the Olive Road improvements. The address of the property to be added to the acquisition list is 52097 Olive Road. The expansion is to be known as Expansion Area No. 22. Expansion Area No. 22 meets several of the goals and objectives of the Airport Economic Development Area Development Plan, as

6. NEW BUSINESS (CONT.)

A. Public Hearing

(1) continued...

well as overcoming obstacles to achieving the plan, and provides public benefit to the citizens of South Bend.

Ms. Greene noted that under I.C. 36-7-14-17.5, the Commission is not required to have evidence or make findings that were required for the establishment of the original development area. However, the Commission is required to make the following findings before approving the amendment: (1) The amendment is reasonable and appropriate when considered in relation to the original resolution, plan and purposes of I.C. 36-7-14, and (2) the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the City. Resolution No. 2279 includes this language and accordingly, adoption by the Commission would satisfy the requirements of the statute. In addition, the Commission is required to consider any written remonstrances that are filed during the filing period specified in the notice.

Mr. King opened the Public Hearing on Resolution No. 2279 for anyone wishing to speak. There was no one who wished to speak regarding Resolution No. 2279. Mr. King closed the Public Hearing for whatever action the Commission wished to take. PUBLIC HEARING ON RESOLUTION NO. 2279

6. NEW BUSINESS (CONT.)

A. Public Hearing

(2) Commission approval requested for Resolution No. 2279.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved Resolution No. 2279 expanding the boundaries of the Airport Economic Development Area, expanding the allocation area for purposes of tax increment financing and amending the Airport Economic Development Area Development Plan.

COMMISSION APPROVED RESOLUTION NO. 2279 EXPANDING THE BOUNDARIES OF THE AIRPORT ECONOMIC DEVELOPMENT AREA, EXPANDING THE ALLOCATION AREA FOR PURPOSES OF TAX INCREMENT FINANCING AND AMENDING THE AIRPORT ECONOMIC DEVELOPMENT AREA DEVELOPMENT PLAN

B. Tax Abatements

(1) Commission approval requested for Resolution No. 2281 approving an application for real property tax deduction for property located at 920 St. Peter Street in the Northeast Neighborhood Development Area. (Jill R. Bodensteiner)

Mr. Schalliol gave the staff report on the project. Ms. Bodensteiner intends to construct a 2,000 square foot, 1-1/2 story, single-family, owner-occupied home at 920 St. Peter St. The home will have three bedrooms, two baths, a finished basement and a two-car attached garage. The total taxes to be abated during the five-year abatement is estimated at \$10,262. Total taxes to be paid during that same time is estimated at \$20,847.

The property is properly zoned for the proposed use. The property is located in the Northeast Neighborhood Development Area, which is a Tax Increment Allocation Area;

6. NEW BUSINESS (CONT.)

B. Tax Abatements

(1) continued...

therefore, approval of the tax abatement petition by the South Bend Redevelopment Commission is required. The project qualifies for five years of real property tax deduction under the city's tax abatement ordinance

Ms. Bodensteiner stated how pleased she is to be moving to the Northeast Neighborhood. Her father has been involved in integrating neighborhoods in her hometown. She's thrilled to be part of bridging the gap between Notre Dame and the community.

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2281 approving an application for real property tax deduction for property located at 920 St. Peter Street in the Northeast Neighborhood Development Area. (Jill R. Bodensteiner)

(2) Commission approval requested for Resolution No. 2283 approving an application for real property tax deduction for property located at 1127 N. Notre Dame Avenue in the Northeast Neighborhood Development Area. (Don & Sara Pope Davis)

Mr. Schalliol gave the staff report on the project. The Pope Davises intend to construct a 2,675 square foot, two-story, single-family, owner-occupied home having four bedrooms, four bathrooms and a finished lower level. The value of the home

COMMISSION APPROVED RESOLUTION NO. 2281 APPROVING AN APPLICATION FOR REAL PROPERTY TAX DEDUCTION FOR PROPERTY LOCATED AT 920 ST. PETER STREET IN THE NORTHEAST NEIGHBORHOOD DEVELOPMENT AREA. (JILL R. BODENSTEINER)

6. NEW BUSINESS (CONT.)

B. Tax Abatements

(2) continued...

will be approximately \$382,000. Total taxes to be abated during the five-year abatement period is expected to be approximately \$10,262. Total taxes to be paid during the abatement period is estimated at \$30,400.

The property is properly zoned for the proposed use. The property is in the Northeast Neighborhood Development Area, which is a Tax Increment Allocation Area; therefore, approval by the Redevelopment Commission is required. The project qualifies for five years of real property tax deduction under the city's tax abatement ordinance.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved Resolution No. 2283 approving an application for real property tax deduction for property located at 1127 N. Notre Dame Avenue in the Northeast Neighborhood Development Area. (Don & Sara Pope Davis)

COMMISSION APPROVED RESOLUTION NO. 2283 APPROVING AN APPLICATION FOR REAL PROPERTY TAX DEDUCTION FOR PROPERTY LOCATED AT 1127 N. NOTRE DAME AVENUE IN THE NORTHEAST NEIGHBORHOOD DEVELOPMENT AREA. (DON & SARA POPE DAVIS)

C. Housing

(1) Commission approval requested for Loan and Grant in connection with the South Bend Home Improvement Program for property located at 1140 N. Sheridan Street. (Patricia L. Pipp)

Mr. Inks noted that the loan is for \$5,900. The grant is \$5,735.95.

6. NEW BUSINESS (CONT.)

C. Housing

(1) continued...

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Loan and Grant in connection with the South Bend Home Improvement Program for property located at 1140 N. Sheridan Street. (Patricia L. Pipp)

COMMISSION APPROVED THE LOAN AND GRANT IN CONNECTION WITH THE SOUTH BEND HOME IMPROVEMENT PROGRAM FOR PROPERTY LOCATED AT 1140 N. SHERIDAN STREET. (PATRICIA L. PIPP)

D. South Bend Central Development Area

(4) Staff report on disposition of property in the South Bend Central Development Area. (Baer's Lot)

Ms. Laurent noted that staff received a written offer from Donald Napoli on behalf of the St. Joseph County Public Library board of directors to purchase the Commission-owned property on Michigan St. known as the Baer's lot for the expansion of the Main Library Branch. This project stands to benefit the downtown by bringing additional research to utilize an already outstanding attraction. Ms. Laurent has communicated to the library staff and consultants the city's desire that the new design take full advantage of the potential connectivity to Michigan St. and the city's initiatives to bring vitality to that retail corridor. The library board is in the early stages of conceptualizing the new facility. Staff is confident that the city's planning goals can be merged with the overall scheme the library will design.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the

COMMISSION ACKNOWLEDGED RECEIPT OF THE LIBRARY'S PURCHASE OFFER AND AUTHORIZED STAFF TO ADVANCE PLANNING DISCUSSIONS TO

6. NEW BUSINESS (CONT.)

D. South Bend Central Development Area

(4) continued...

Commission acknowledged receipt of the library's purchase offer and authorized staff to advance planning discussions to arrive at mutually desirable terms for disposition of the Baer's lot in the South Bend Central Development Area.

(5) Filing of Resolution No. 2280 revising the appropriation of monies for the purpose of defraying the expenses of certain local public improvements for the fiscal year beginning January 1, 2006, and ending December 31, 2006, including all outstanding claims and obligations, fixing a time when the same shall take effect and setting a public hearing on Resolution No. 2280 for 8:30 a.m., December 29, 2006. (Fund 425)

Mr. Inks noted that the Public Hearing on Resolution No. 2280 scheduled for December 18 was not properly noticed. It is being rescheduled for December 29, 2006 at 8:30 a.m.

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission rescheduled the Public Hearing on Resolution No. 2280 to December 29, 2006 at 8:30 a.m.

E. Sample-Ewing Development Area

(1) Commission approval requested for Certificate of Completion for property ARRIVE AT MUTUALLY DESIRABLE TERMS FOR DISPOSITION OF THE BAER'S LOT IN THE SOUTH BEND CENTRAL DEVELOPMENT AREA

COMMISSION RESCHEDULED THE PUBLIC HEARING ON RESOLUTION NO. 2280 TO DECEMBER 29, 2006 AT 8:30 A.M.

6. NEW BUSINESS (CONT.)

D. Sample-Ewing Development Area

(1) continued...

located at 216 W. Broadway in the Sample Ewing Development Area.

Ms. Greene noted that the property at 216 W. Broadway is in the process of being sold. During the title search it was discovered that the Redevelopment Commission was in the chain of title, incidental to one of its contracts. The Certificate of Completion extinguishes any reversionary rights the Commission once held in that property.

Upon a motion by Mr. Downes, seconded by Mr. Blake and unanimously carried, the Commission approved the Certificate of Completion for property located at 216 W. Broadway in the Sample Ewing Development Area.

(2) Commission approval requested for Listing Contract for property in the Sample-Ewing Development Area. (701 Pennsylvania)

Mr. Inks noted that the Commission owns property at 701 Pennsylvania, containing the Wenger homestead, a historical structure. In the late 1990s the Commission spent funds for an exterior renovation of the home and put the property up for sale. There were some issues with water and sewer hookups which we are now resolving. We would like to put it up for sale again. The Listing Contract is with Hallmark Realty and has a listing price of \$24,000. There is still substantial work to be done to the interior of

COMMISSION APPROVED THE CERTIFICATE OF COMPLETION FOR PROPERTY LOCATED AT 216 W. BROADWAY IN THE SAMPLE EWING DEVELOPMENT AREA

6. NEW BUSINESS (CONT.)

D. Sample-Ewing Development Area

(2) continued...

the home.

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission approved the Listing Contract with Hallmark Realty for property located at 701 Pennsylvania St. with a listing price of \$24,000.

(3) Staff report on disposition of property in the Sample-Ewing Development Area. (1217 S. Walnut St.)

> Mr. Peterson noted that in April 2006 the Commission entered into a Memorandum of Understanding to provide for both the redevelopment of 1217 S. Walnut as well as the acquisition of right of way that is needed to complete some road improvements in the South Side Development Area. Through the transaction the Commission has acquired 1217 S. Walnut and has gone through the disposition procedures to dispose of it. Staff has received a purchase offer from Lock Joint Tube LLC. They propose to trade their property along Ireland road for 1217 S. Walnut. The Commission then intends to sell the property along Ireland to the adjacent property owner in lieu of right of way the Commission needs from him.

> We originally sent a purchase offer in the amount of \$187,000 for the right of way. The appraisal for Kokoku is \$147,000. Lock Joint Tube is signing an agreement which conveys the former Kokoku property at 1217

COMMISSION APPROVED THE LISTING CONTRACT WITH HALLMARK REALTY FOR PROPERTY LOCATED AT 701 PENNSYLVANIA ST. WITH A LISTING PRICE OF \$24,000

6. NEW BUSINESS (CONT.)

D. Sample-Ewing Development Area

(3) continued...

S. Walnut to Lock Joint Tube which indemnifies the Commission for any actions they have taken on the property while they have had access to it. There is an environmental incident which is being resolved, so the agreement commits \$20,000 from the city to monitor water on the site if monitoring is needed. We will be purchasing the property from Lock Joint Tube without any representation as to its condition.

Mr. Peterson has also received a counter offer from the owner of the property next to Lock Joint Tube to trade the right of way the city wants for the soon-to-be Commission-owned Lock Joint Tube property. He has agreed to accept the property in whatever condition the Commission receives it. That would complete the three-way trade of land.

Staff recommends accepting the Contract for Sale of Land with Lock Joint Tube for 1217 S. Walnut.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Contract for Sale of Land with Lock Joint Tube, subject to receipt of the signed signature page from Lock Joint Tube. (1217 S. Walnut St.)

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission approved the letter proposal submitted by Wennsington LLC to purchase the property known as Lock Joint Tube in COMMISSION APPROVED THE CONTRACT FOR SALE OF LAND WITH LOCK JOINT TUBE, SUBJECT TO RECEIPT OF THE SIGNED SIGNATURE PAGE FROM LOCK JOINT TUBE. (1217 S. WALNUT ST.)

COMMISSION APPROVED THE LETTER SUBMITTED BY WENNSINGTON LLC TO PURCHASE THE PROPERTY KNOWN AS LOCK JOINT TUBE IN EXCHANGE FOR RIGHT OF WAY AND AUTHORIZE COUNSEL TO NEGOTIATE A RECORDABLE FORM OF THIS AGREEMENT AND CONTINUE TO CLOSING ON IT.

6. NEW BUSINESS (CONT.)

D. Sample-Ewing Development Area

(3) continued...

exchange for right of way and authorize counsel to negotiate a recordable form of this agreement and continue to closing on it.

F. Airport Economic Development Area

(1) Commission approval requested for Resolution No. 2284 related to acquisition of property in the Airport Economic Development Area.

Mr. Witwer noted that Resolution No. 2284 establishes the offering price for property needed for the right-of-way for improvements at Olive and Brick Roads. Acquisition is necessary to facilitate the improvements to Olive and Brick Roads. The offering price of \$86,839.50 was established by the average of two appraisals. Staff recommends approval.

Upon a motion by Mr. Downes, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2284 related to acquisition of property in the Airport Economic Development Area.

(2) Commission approval requested for Resolution No. 2285 approving and accepting a counter offer for the acquisition of property in the Airport Economic Development Area.

Mr. Witwer noted that Resolution No. 2285 accepts the counter offer of \$140,995 for the above mentioned property. The counter offer

COMMISSION APPROVED RESOLUTION NO. 2284 RELATED TO ACQUISITION OF PROPERTY IN THE AIRPORT ECONOMIC DEVELOPMENT AREA

6. NEW BUSINESS (CONT.)

F. Airport Economic Development Area

(2) continued...

is consistent with the Memorandum of Understanding the Commission negotiated and entered into with the property owners earlier this year. In light of the damages the expanded right-of-way will cause to the value of the owner's rental house located within a few feet of the new right-of-way, staff feels the price of \$140,995 is acceptable. The most significant difference between the offering price and the counter offer is the characterization of the land: our appraisers provided a value for the land as agricultural property; the Lichtenbarger's appraiser provided a value based on it being residential, since the owners use it for a residential home

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission accepted the counter offer from Albert and Marilyn Lichtenbarger for the parcel needed for right-of-way at 52097Olive Road.

G. South Bend Medical Services District

There was no business in the South Bend Medical Services District.

H. West Washington-Chapin Development Area

There was no business in the West Washington-Chapin Development Area.

COMMISSION ACCEPTED THE COUNTER OFFER FROM ALBERT AND MARILYN LICHTENBARGER FOR THE PARCEL NEEDED FOR RIGHT-OF-WAY AT 52097OLIVE ROAD

6. NEW BUSINESS (CONT.)

I. South Side Development Area

There was no business in the South Side Development Area.

J. Northeast Neighborhood Development Area

(1) Commission approval requested for proposal for professional services in the Northeast Neighborhood Development Area.

Mr. Schalliol noted that staff solicited and received a proposal from Lang, Feeney and Associates, Inc. to provide survey services for a proposed amendment to the boundary of the Northeast Neighborhood Development Area. Lang, Feeney previously provided the boundary description for Expansion Area #1 in the NNDA. The cost of the proposal is \$500 and will be paid for by South Bend Heritage Foundation as part of their work in the Northeast Neighborhood. Staff recommends approval.

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission approved the request for proposal in the Northeast Neighborhood Development Area and accepted the proposal from Lang, Feeney and Associates for the scope of services and fee proposed.

K. Douglas Road Economic Development Area

There was no business in the Douglas Road Economic Development Area.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL IN THE NORTHEAST NEIGHBORHOOD DEVELOPMENT AREA AND ACCEPTED THE PROPOSAL FROM LANG, FEENEY AND ASSOCIATES FOR THE SCOPE OF SERVICES AND FEE PROPOSED

7. PROGRESS REPORTS

Mr. Laurent reported that legal counsel and staff has scheduled a closing at 11:30 today on 400 W. Sample St., the former South Bend Lathe property. We are in the process of creating demolition specifications and hope to have that building down soon.

PROGRESS REPORTS

8. NEXT COMMISSION MEETING

The next meeting of the Redevelopment Commission is its Annual Organizational Meeting scheduled for Tuesday, January 2, 2007 at 8:30 a.m.

NEXT COMMISSION MEETINGS

The next Regular Meeting of the Redevelopment Commission is scheduled for Friday, January 5, 2007 at 10:00 a.m.

9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. Downes made a motion that the meeting be adjourned. Mr. Hojnacki seconded the motion and the meeting was adjourned at 11:05 a.m.

ADJOURNMENT

Donald E. Inks, Director Marcia I. Jones, President

EXECUTIVE SESSION

December 15, 2006

The South Bend Redevelopment Commission met in Executive Session on Friday, December 15, 2006, at 8:45 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D). Commissioner's Present: Karl King, Vice President; Greg Downes, Secretary; Hardie Blake, Bill Hojanaki. Others Present: Don Inks, Director, Economic Development, Attorney Cheryl Greene, Pam Paluszewski, Shawn Peterson, Bill Schalliol, Jennifer Laurent, Robert Mathia, Andy Laurent, and Nick Witwer. The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 10:00 a.m.

CITY OF SOUTH BEND, DEPARTMENT OF REDEVELOPMENT

Signature		-
Printed Name and Title	 	-

South Bend Redevelopment Commission